Utilisation of amount collected on account of cess on Diesel and Petrol

689. SHRI J. CHITHARANJAN: Will the Minister of FINANCE be pleased to state:

(a) the amount collected so far on account of cess on diesel and petrol and the expected collection for the whole year 1999-2000;

(b) whether it is a fact that this amount is being utilised towards meeting fiscal deficit targets instead of using it for its intended purpose of road development; and

(c) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) The amount of additional excise/customs duty on motor spirit and high speed diesel that is sought to be converted into cess is as follows:—

Rs. 2510 crore upto September, 1999; and

Rs. 3377 crore for the current year.

Modalities for setting up the Central Road Fund in line with the announcement made by Finance Minister in the Budget Speech for Budget 1999-2000 are being worked out.

Seizure of weapons at Mumbai Airport

†690. SHRI SATISHCHANDRA SITARAM PRADHAN: Will the Minister of FINANCE be pleased to state:

(a) whether custom officers have seized weapons brought in the name of x-ray film in October, 1999 at the Mumbai airport;

(b) if so, the action taken in this regard; and

(c) the number of such cases detected during the last two years together with the action taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) and (b) Yes, Sir. A consignment received at Aircargo Complex, Mumbai, declared by the importer to contain "X-ray screen" on examination was found

†Orginal Notice of the Question was received in Hindi.

to contain weapons, namely 42 Walther Pistols, 1 Smith & Wesson Revolver, 20 Tackling Knives and 7 Laser Guided sights. The goods have been seized for misdeclaration for taking further action under the provisions of the Customs Act, 1962.

(c) No other case of such nature has been detected at any other place including Mumbai Airport during the last 2 years.

Non-recovery of advances made to business houses

691. SHRI E. BALANANDAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that some of the PSU Banks have informed the RBI that lack of sufficient capital was affecting their expansion schemes;

(b) if so, whether shortage of capital is due to non-performance or non-recovery of huge advances made to big business houses; and

(c) if so, what steps RBI is taking to recover those money?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL): (a) Banks are required to achieve capital to risk weighted assets ratio of 9 per cent from the year ending 31st March, 2000. In view of this banks would not be able to meet the growing requirements of credit and other business, unless capital is increased to maintain the prescribed ratio of 9 per cent.

(b) Shortage of capital funds could be due to accumulated losses on the past and on account of insufficient earnings. The profitability is affected on account of high cost of funds, low interest income, high level of NPAs, high operating cost low productivity of employees etc. Unless banks earn adequately they cannot build up sufficient reserves, which can be one source of capital.

(c) It is for the banks and not for RBI to recover the money. On the advice of the RBI/Government of India the banks have taken the following steps not only to check the incidence of fresh NPAs but also to attempt the recovery of existing NPAs of PSBs.